

TEACHERS' RETIREMENT BOARD
BENEFITS AND SERVICES COMMITTEE

SUBJECT: Approval of Minutes for
May 2, 2002

ITEM NUMBER: 2

ATTACHMENT(S): 1

ACTION: X

DATE OF MEETING: June 6, 2002

INFORMATION:

PRESENTER(S): Chairperson

Please see the attached minutes of the May 2, 2002, Benefits and Services Committee meeting.

**PROPOSED
MINUTES OF THE
BENEFITS AND SERVICES COMMITTEE MEETING
OF THE
CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM
THURSDAY, MAY 2, 2002
BOARD ROOM
7667 FOLSOM BOULEVARD
SACRAMENTO, CALIFORNIA**

COMMITTEE MEMBERS PRESENT

Karen Russell, Chairperson
Gary Lynes
Carolyn Widener
Louis Willhoit, representing the State Controller, Kathleen Connell

OTHER BOARD MEMBERS PRESENT

Ted Eliopoulos, representing the State Treasurer, Phil Angelides
George Fenimore
Paul Krasnow

STAFF PRESENT

Jack Ehnes, Chief Executive Officer
Michael Carter, DCEO, CBS Branch
Christopher J. Ailman, Chief Investment Officer
Christopher W. Waddell, Chief Counsel
Ed Derman, DCEO, EAPD Branch
Rick Reed, System Actuary
Peter Haley, Chief, Membership, IFS Branch
Jan Vine, Executive Assistant

OTHERS PRESENT

Loretta Toggenburger, UTLA- R
Lois Shive, CTA
Al Reyes, UTLA
Michael Green
John Baley, FACCC
Zoe Ann Murray, CRTA
John Wong

Dorothy Moser, CTA, NEA- R
Edna White, CRTA
Pat Geyer, CRTA
Steve DePue, CTA
Norman Gould, CRTA
Tony Jones, CTA
M. C. Tucker, CRTA

A quorum being present, Chairperson Russell called the meeting to order at 8:01 a.m.

II. **APPROVAL OF MINUTES OF APRIL 4, 2002**

MOTION duly made by Mr. Lynes, seconded by Mr. Willhoit, and carried to approve the Minutes of the April 4, 2002 Benefits and Services Committee.

III. **ANNOUNCEMENTS**

There were none.

IV. **ADOPTION OF CONTRIBUTION RATES FOR 2002-03**

Mr. Reed requested approval of the following rates:

Staff recommend that the Board adopt a Contribution Rate for Additional Service Credit of 16.497 percent for the 2002-03 fiscal year, contingent upon the adoption by the Board of the June 30, 2001 Actuarial Valuation.

MOTION duly made by Ms. Widener, seconded by Mr. Lynes, and carried to adopt the Contribution Rate for Additional Service Credit of 16.497 percent, as presented.

Roll Call: Gary Lynes – yes	Carolyn Widener – yes
Louis Willhoit – yes	Karen Russell - yes

Staff recommend that the Board adopt an Employer Contribution Rate of 8.497 percent, revised from 9.082 percent for Elected Officials of Employee Organizations for the 2002-03 fiscal year, contingent upon the adoption by the Board of the June 30, 2001 Actuarial Valuation.

MOTION duly made by Mr. Lynes, seconded by Mr. Willhoit, and carried to adopt the Employer Contribution Rate of 8.497 percent, as presented.

Roll Call: Gary Lynes – yes	Carolyn Widener – yes
Louis Willhoit – yes	Karen Russell - yes

Staff recommend that the Board adopt an Employer Contribution Rate of 8.497 percent for service credit granted under the Reduced Workload Program during the 2002-03 fiscal year, contingent upon the adoption by the Board of the June 30, 2001 Actuarial Valuation .

Peter Haley clarified that in the Reduced Workload Program you do not have to retire within ten years, however, you cannot participate in the Program for more than ten years.

MOTION duly made by Mr. Lynes, seconded by Mr. Willhoit, and carried to adopt the Employer Contribution Rate of 8.497 percent, as presented.

Roll Call: Gary Lynes – yes	Carolyn Widener – yes
Louis Willhoit – yes	Karen Russell - yes

V. **WARRANT STUB MESSAGE – JUNE 1, 2002 MAILING**

Mr. Carter presented this item.

VI. **LEVEL OF SERVICE STANDARDS**

Mr. Carter presented this item and reported that Estimate Letters to members age 50 and over went out as planned and a follow-up survey will follow. In addition, excellent progress is being made in the program areas and staff are on schedule to eliminate the backlogs. The Telephone Center is fully staffed, thus, providing the opportunity to increase the total queue size to ten. As a result, “busy” signals are at an all-time low. There still remains a challenge in the demand to provide estimates to members requesting the purchase of service.

Ms. Widener expressed concern regarding the Federal tax conformity bills that have gone to the Governor and directed staff to ensure that the membership is informed of these changes. Mr. Derman stated that one of the provisions of these bills already signed by the Governor allows members who retire between January 1 and August 23, 2002 to buy service credit after they retire. Mr. Ehnes commented on the P & I Age article regarding the Colorado PERA experience related to workload associated with service purchases.

Mr. Eliopoulos had a series of questions and observation on services, including the Phone Center, counseling services and group workshops. Specific questions were asked about survivor benefit payment regarding the inventory of cases and time required to pay cases.

Mr. Carter noted that he will not be attending the June 2002 meeting and suggested the respective managers report the status of their programs. Mr. Carter anticipates these reports will be positive and the backlogs eliminated.

Mr. Lynes complimented staff on the very informative Spring Bulletin and that it answered tons of questions for members.

VII. **DRAFT AGENDA FOR THE JUNE COMMITTEE MEETING**

Staff agreed to report on the status of all backlogged areas under the Level of Service report and to add an item on workload associated with the purchase of service.

VIII. **OPPORTUNITY FOR STATEMENTS FROM THE PUBLIC**

There were no statements.

IX. **ADJOURNMENT**

There being no further business to conduct, Chairperson Russell adjourned the meeting at 8:37 a.m.

JACK EHNES, Chief Executive Officer
Secretary to the Teachers' Retirement Board

Karen Russell, Chairperson